

Polaris and Virtusa enter into a definitive Share Purchase Agreement to create a compelling platform for digital transformation services

U.S. based Virtusa Corporation's market position & digital frameworks make it a complementary partner for end to end IT consulting & outsourcing contracts

Chennai (India), Thursday 05, November 2015. Polaris Consulting and Services Ltd. ("Polaris"), an innovator in digital transformation and financial technology, has entered into a definitive Share Purchase Agreement (SPA) with Virtusa Corporation ("Virtusa") whereby a subsidiary of Virtusa will acquire approximately 53% of the paid up share capital of Polaris from certain promoter entities led by Arun Jain and certain other shareholders, including Orbitech Private Ltd (formerly known as Orbitech Limited). In accordance with the terms and conditions of the SPA, Virtusa will purchase the shares at a price of approximately INR 220.73 per share, aggregating to approximately INR 1,173 crores.

In addition, Virtusa will make an unconditional mandatory offer to the public shareholders of Polaris to purchase up to an additional 26% of the outstanding shares of Polaris.

The board of directors of Polaris approved the execution of the SPA as Virtusa would be a complementary partner offering a compelling alternative to drive the digital agenda of the global BFS industry. The deal will expand presence in key markets and enhance the ability to pursue larger consulting and outsourcing contracts.

Arun Jain, Chairman of Polaris Consulting & Services Ltd., said, "I am delighted to have identified Kris Canekeratne and his team at Virtusa to pass on the baton to grow Polaris by offering greater value to customers and more opportunities for the team. I wish all Polaris associates who contributed to building Polaris into a world class company in the BFSI space, continued success in their journey under the larger canvas of Virtusa and Polaris. This will also enable me to establish and pursue innovative models for social impact using Design Thinking in the areas of health and education, in addition to my focus on steering Intellect Design Arena Limited into a global digital products powerhouse".

Kris Canekeratne, Virtusa's Chairman and CEO, said, "Polaris brings a terrific team and an attractive, blue-chip client base to our organization. The combination of Virtusa and Polaris enables us to provide end-to-end global BFS services and solutions, expand our addressable market, and position us to pursue larger consulting and outsourcing opportunities. We are enthusiastic about working with the Polaris team to build out our platform and offer clients a distinctive set of offerings."

Jitin Goyal, Chief Executive Officer & Executive Director, Polaris Consulting & Services Ltd.s, said, "Virtusa and Polaris combined will create an indisputable brand to reckon with in the digital space. Both organisations share a common goal of delivering best-in-class solutions and the highest level of service excellence to our clients. I believe the combination of the two companies will enable us to better address our clients' most critical business objectives."

Upon closing of this transaction, Citigroup Technology, Inc. ("Citi"), has agreed to designate Virtusa and Polaris as a preferred vendor for Global Technology Resource Strategy for the provision of IT services to Citi on an enterprise-wide basis. In addition, Polaris and Virtusa agreed to certain productivity savings and associated reduced spend commitments for a period of two years, which, if not achieved, would require Virtusa/Polaris to provide certain minimum discounts to Citi. The parties agreed to amend Polaris' master services agreement with Citi such that Virtusa Corporation would also be deemed a contracting party and would assume, and agree to perform, or cause Polaris

to perform, all applicable obligations under the master services agreement. The Preferred vendor status provides an opportunity to competitively bid for additional/new work.

The transaction is expected to close during the fourth fiscal quarter ending March 31, 2016. The transaction is subject to certain conditions to close, including regulatory approvals.

Advisors

Credit Suisse acted as primary financial advisor and Spark Capital as co-advisor to Polaris. J Sagar Associates acted as legal advisor for Polaris and AZB & Partners acted as legal advisor for Orbitech. J.P. Morgan acted as financial advisor to Virtusa. Goodwin Procter, LLP and ALMT Legal Bangalore acted as legal advisors to Virtusa.

About Polaris Consulting & Services Limited

Polaris Consulting & Services, is one of the leading Digital Transformation companies in the world with particular emphasis on the Financial Services industry. With a strong strategic consulting focus backed with high performance delivery in Digital Enterprise; Payments; Risk & Compliance; Data & Analytics. Polaris is strongly differentiated, with a formidable reputation in Retail banking, corporate banking, capital markets, payments, and GRC.

Organised into six client-centric units and multiple solution-centric units across the world, Polaris Consulting & Services is represented by over 7,600 solution architects, domain and technology experts. For more details, please visit www.polarisft.com

About Virtusa

Virtusa provides end-to-end information technology (IT) services to Global 2000 companies. These services, which include IT consulting, application maintenance, development, systems integration and managed services, leverage a unique Platforming methodology that transforms clients' businesses through IT rationalization. Virtusa helps customers accelerate business outcomes by consolidating, rationalizing, and modernizing their core customer-facing processes into one or more core systems.

Virtusa delivers cost-effective solutions through a global delivery model, applying advanced methods such as Agile and Accelerated Solution Design to ensure that its solutions meet the clients' requirements. As a result, its clients simultaneously reduce their IT operations cost while increasing their ability to meet changing business needs.

Founded in 1996 and headquartered in Massachusetts, Virtusa has operations in North America, Europe, and Asia.

Press Conference:

Polaris and Virtusa have jointly organised a Press Conference, today, Thursday, 5th Nov 2015 in Chennai. Mr. Arun Jain, Chairman of Polaris Consulting & Services Limited and Mr. Kris Canekaratne, Virtusa's Chairman and CEO will be jointly addressing the Conference.

- **Date & Time:** 5th Nov 2015, 7:45PM IST Onwards
- **Venue:** Mowbrays Hall, Hotel Crown Plaza (Erstwhile Hotel Park Sheraton), No.132, TTK Road, Alwarpet (Opp. Boat Club Road), Chennai - 18.

Safe Harbor Statement

Certain statements in this release concerning our future prospects are forward-looking statements. Forward-looking statements by their nature involve a number of risks and uncertainties that could cause actual results to differ materially from market expectations. These risks and uncertainties include, but are not limited to our ability to manage growth, intense competition among Indian and overseas IT companies, various factors which may affect our cost advantage, such as wage increases or an appreciating Rupee, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Polaris has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry. Polaris may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements.

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